

BellSouth Telecommunications, Inc.
Legal Department
1600 Williams Street
Suite 5200
Columbia, SC 29201

Patrick W. Turner
General Counsel-South Carolina

803 401 2900
Fax 803 254 1731

patrick.turner@bellsouth.com

July 27, 2006

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Joint Petition for Arbitration of NewSouth Communications Corp., NuVox Communications, Inc., KMC Telecom V, Inc., KMC Telecom III LLC, and Xspedius [Affiliates] an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended
Docket No. 2005-57-C

Dear Mr. Terreni:

On May 26, 2005, BellSouth Telecommunications, Inc. ("BellSouth") submitted CDs that contained items from the Florida¹ and North Carolina² proceedings to be incorporated into the record of this docket. One of those items was the transcript of the February 25, 2005 deposition of BellSouth witness Kathy Blake in the companion arbitration proceeding before the Florida Commission. It has come to my attention that the CD contains only the odd-numbered pages of that transcript. In order to correct this error and provide for a complete record in this docket, BellSouth respectfully submits the attached paper copy of the transcript of that deposition and the late-filed exhibits associated with that deposition.

¹ *In the Matter of Joint Petition for Arbitration of NewSouth Communications Corp., NuVox Communications Corp., KMC Telecom V, Inc., KMC Telecom III LLC, and Xspedius Communications, LLC on Behalf of its Operating Subsidiaries Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Jacksonville, LLC*; Docket No. 040130-TP.

² *In the Matter of: Joint Petition for Arbitration of NewSouth Communications Corp., et al. of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended*; Docket Nos. P-772, Sub 8; P-913, Sub 5; P-989, Sub 3; P-824, Sub 6; P-1202, Sub 4.

The Honorable Charles Terreni
July 27, 2006
Page Two

I apologize for any inconvenience that this may have caused the Commission or the parties.

By copy of this letter, I am providing a copy of the transcript and late-filed exhibits to counsel for the Joint Petitioners and to counsel for the Office of Regulatory Staff.

Sincerely,

A handwritten signature in black ink that reads "Patrick W. Turner". The signature is written in a cursive, flowing style with a large initial "P" and a long, sweeping underline.

Patrick W. Turner

PWT/nml
Enclosures
cc: Parties of Record
DM5 # 643149

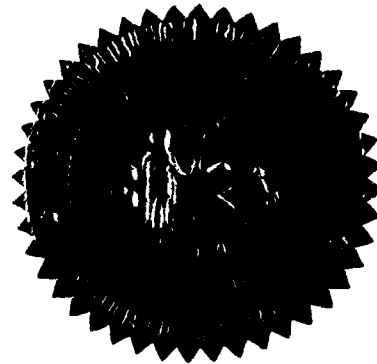
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

FILE COPY

DOCKET NO. 040130-TP

In the Matter of

JOINT PETITION BY NEWSOUTH
COMMUNICATIONS CORP., NUVOX
COMMUNICATIONS, INC., KMC TELECOM
V, INC., KMC TELECOM III LLC, AND
XSPEDIUS COMMUNICATIONS, LLC, ON
BEHALF OF ITS OPERATING SUBSIDIARIES
XSPEDIUS MANAGEMENT CO. SWITCHED
SERVICES, LLC AND XSPEDIUS MANAGEMENT
CO. OF JACKSONVILLE, LLC, FOR
ARBITRATION OF CERTAIN ISSUES ARISING
IN NEGOTIATION OF INTERCONNECTION
AGREEMENT WITH BELL SOUTH
TELECOMMUNICATIONS, INC.



ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC
DEPOSITION OF: KATHY BLAKE

TAKEN AT THE
INSTANCE OF: The Staff of the Florida
Public Service Commission

PLACE: Room 362
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

TIME: Commenced at 10:44 a.m.
Concluded at 12:00 p.m.

DATE: Friday, February 25, 2005

REPORTED BY: LINDA BOLES, RPR
Official FPSC Hearings Reporter
FPSC Division of Commission Clerk and
Administrative Services
850/413-6734

1 APPEARANCES:

2 JAMES MEZA, III, ESQUIRE, BellSouth
3 Telecommunications, Inc., c/o Ms. Nancy H. Sims, South Monroe
4 Street, Suite 400, Tallahassee, Florida 32301-1556, appearing
5 on behalf of BellSouth Telecommunications, Inc., participating
6 telephonically.

7 NORMAN H. HORTON, JR., ESQUIRE, Messer Law Firm, 215
8 South Monroe Street, Suite 701, Tallahassee, Florida 32302,
9 appearing on behalf of NewSouth, NuVox, KMC Telecom III and
10 V/Xspedius, participating telephonically.

11 KIRA SCOTT, ESQUIRE, and JEREMY SUSAC, ESQUIRE, FPSC
12 General Counsel's Office, 2540 Shumard Oak Boulevard,
13 Tallahassee, Florida 32399-0850, appearing on behalf of the
14 Commission Staff.

15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

WITNESS

NAME:

PAGE NO.

KATHY BLAKE

Direct Examination by Ms. Scott

6

MISCELLANEOUS

STIPULATION

5

ERRATA SHEET

50

CERTIFICATE OF REPORTER

51

CERTIFICATE OF OATH

52

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBITS

NUMBER:		ID.
BellSouth 1	(Late-Filed) BellSouth Proposed Language Regarding Flexibility of Start Date	12
BellSouth 2	(Late-Filed) Transcript from Georgia Commission	35

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

DEPOSITION

KATHY BLAKE

appeared as a witness and, after being duly sworn by the notary present with the witness, testified as follows:

MR. MEZA: And just for the record, the only people present in the conference room in Atlanta is myself, Jim Meza, the witness, Kathy Blake, and the notary, Ms. Brenda Slaughter, who will be leaving shortly

MS. SCOTT: Okay. Let's get started.

DIRECT EXAMINATION

BY MS. SCOTT:

Q Good morning, Ms. Blake.

A Good morning.

Q My name is Kira Scott. I'm an attorney with the Public Service Commission. I'll be deposing you today.

A Okay.

Q Before we get started, I would like you to know that at any time you have trouble understanding the questions that I pose to you, feel free to ask me to rephrase, clarify or repeat. Also, if you could answer the questions with a yes or no, then elaborate if necessary, that would be much appreciated.

A Certainly.

Q Could you please state your full name and business address for the record?

1 A My name is Kathy K. Blake, 675 West Peachtree Street,
2 Atlanta, Georgia 30375.

3 Q Did you file testimony in Docket 040130?

4 A Yes, I did.

5 Q Did you file direct and rebuttal?

6 A Yes, I did.

7 Q Do you have copies of your testimony with you today?

8 A Yes, I do.

9 Q And what documents did you review prior to this
10 deposition?

11 A I reviewed my testimony, Mr. Morillo's direct
12 testimony for which I'm adopting, Mr. Russell's rebuttal
13 testimony, the joint petitioners' testimony, Mr. Morillo's
14 North Carolina parts of supplemental direct that were asked
15 about, and the transcript page referenced in -- of the
16 transcript that was requested.

17 Q Okay. Is that all?

18 A Basically, yes.

19 Q Okay. I'm going to ask you a series of questions
20 regarding the EEL auditing process.

21 A Okay.

22 Q In particular, Items 51(b) and (c).

23 A Okay.

24 Q Would you please explain what the parties have agreed
25 to with regard to Item 51(b), that is Issue 2-33(b)?

1 A Okay. If I can reference the Attachment 2 document.
2 The parties have agreed to -- that BellSouth will provide a
3 cause -- excuse me, let me get to the actual --

4 Q That's fine. Take your time.

5 A -- because it's in the preceding paragraph of 5.2.6,
6 I believe. Yes.

7 The parties have agreed that BellSouth may on an
8 annual basis and only based upon cause conduct an audit of the
9 joint petitioners' records in order to verify compliance with
10 the high capacity EEL eligibility criteria.

11 So the issue in Item (b) or the dispute in Item (b)
12 pertains to what will be in the notice that is sent by
13 BellSouth to the CLEC or to the joint petitioner. When we have
14 a cause that we're going to conduct an audit, we send them a
15 notice, and we are proposing to send a notice no less than 30
16 calendar days prior to the date upon which we want to begin the
17 audit.

18 MR. MEZA: Kira, this is Jim. Can we just state for
19 the record that the usual stipulations apply, just to make sure
20 there's no ambiguity on that?

21 MS. SCOTT: Oh, yes.

22 MR. MEZA: Thank you. Sorry, sorry to interrupt.

23 MS. SCOTT: Oh, that's fine. Just a moment.

24 BY MS. SCOTT:

25 Q Okay. Ms. Blake, could you please explain further

1 what the parties are unable to agree to with regards to the
2 time period, the timing issue?

3 A I don't believe the agreement or the disagreement is
4 relative to the timing period as far as the number of days in
5 the notice. It's pretty -- it's centered around what is
6 contained in the notice. BellSouth would identify in the
7 notice the cause upon which we rest our allegations that
8 they're out of compliance, their EELs are not in compliance.

9 The joint petitioners, on the other hand, are seeking
10 for BellSouth to specifically identify the circuits for which
11 we have reason to believe are out of compliance, as well as
12 provide supporting documentation with the notice.

13 Q Okay. Thank you. Would you please explain what
14 BellSouth's position is with regard to the portion of the issue
15 that the parties have been unable to reach agreement on?

16 A Relative to 51(b)?

17 Q Yes, ma'am.

18 A Well, in the, in the language in Attachment 2 the
19 joint petitioners set forth basically what I just mentioned a
20 minute ago about wanting the notice to contain and identify
21 particular circuits for which we allege noncompliance, and then
22 the notice will also include all supporting documentation.

23 And in BellSouth's language we, we are agreeable to
24 identifying the cause upon which we rest our allegations of
25 noncompliance, and, and that should be all we'd be required to

1 do. I mean, the requirement is for the CLECs to only obtain
2 EELs in compliance with the eligibility criteria, and when they
3 order those EELs, we take them basically at their word that
4 they're complying. If we have reasons to believe through
5 either information within our system that leads us to believe
6 they're not in compliance, then we feel we have the right to
7 invoke our, our right to audit pursuant to the FCC's orders.

8 Q Thank you. Could you please now refer to your
9 rebuttal testimony. Please refer to Page 37. Let me know when
10 you're there.

11 A I'm there.

12 Q Okay. Would you read Lines 1 through 5, starting
13 with "Naturally"?

14 A "Naturally, there is" -- you want me to read it out
15 loud?

16 Q Yes, ma'am.

17 A "Naturally, there is room for negotiation as to the
18 specific start date and time, and BellSouth will certainly
19 consider extenuating circumstances that may not permit a CLEC
20 to be ready within 30 days."

21 Q Could you read the next sentence, please?

22 A Sure. "But in no case should the CLEC be permitted
23 to unduly and unilaterally delay the start of the audit."

24 Q Okay. Thank you. Is BellSouth willing to propose
25 additional language for Section 5.2.6.1 of the proposed

1 interconnection agreement that would allow the CLEC this
2 negotiation option?

3 A I'm not sure I understand what you mean by
4 "negotiation option."

5 Q I'm referring back to the Lines 1 through 5 where
6 there's discussion of negotiation as to the specific start date
7 and time. That's the negotiation option that I'm referring to.

8 A I mean, I can state we're willing to entertain
9 language, you know, that the parties will, you know, work
10 cooperatively to reach an agreeable start date.

11 But I think what we need to make sure we're not
12 subject to is unnecessary delay based on either their
13 contention that we don't have cause or that we're doing an
14 audit unnecessarily or, you know, we'll get to this in 51(c),
15 you know, that they don't like the auditor we selected or that
16 they are questioning the independence or integrity of an
17 auditor that, you know, has been selected.

18 So, you know, whether, whether language can be
19 proposed and considered that would, you know, work in that
20 we're willing to negotiate the start date of the audit, but the
21 intent is to, to ensure that the CLECs are using EELs in
22 compliance with the eligibility criteria. And the sooner we
23 can proceed with the audit and get the auditor to make that
24 assessment, that's where we need to be.

25 Q Just a moment. I'm sorry.

1 Okay. Ms. Blake, you had stated that BellSouth would
2 be willing to entertain such a negotiation option. Could you
3 provide us with a late-filed exhibit with some language, some
4 proposed language?

5 A Certainly.

6 MR. MEZA: Kira, just so I'm clear as to what you're
7 asking, you want us to provide language regarding flexibility
8 of the start date?

9 MS. SCOTT: Yes.

10 MR. MEZA: Okay. No problem.

11 MS. SCOTT: Okay. Thank you.

12 (Late-Filed Exhibit 1 identified.)

13 BY MS. SCOTT:

14 Q My next two questions deal with Item 51,
15 Issue 2-33(c), that is who should conduct the audit and how the
16 audit should be performed.

17 A Yes.

18 Q Ms. Blake, do you have in front of you the regular
19 membership requirements for the American Institute for
20 Certified Public Accountants?

21 A I will when I pull them out of this file.

22 Q Okay. Let me know when you're ready.

23 A I've got the membership benefits, membership
24 requirements, yes.

25 Q Okay. Do you have highlighted portions on your copy?

1 A No.

2 Q Oh, okay.

3 A I printed this off the AICPA Web site.

4 Q Okay. Under the membership requirements there are
5 five bullets.

6 A Right.

7 Q Would you please read the first sentence under the
8 last two bullets?

9 A The first sentence of the fourth bullet is, "Practice
10 in a firm enrolled in an approved practice-monitoring program
11 (or, if practicing in a firm not eligible to enroll, are
12 themselves enrolled in such a program); (a) If the service is
13 performed by such a firm or individual or within the scope of
14 the AICPA's practice" --

15 Q That's all you have to, to read, ma'am.

16 Oh. Could you go on to read the fifth bullet point?

17 A Yes. "All members must agree to abide by the AICPA
18 bylaws and code of professional conduct."

19 Q Okay. Thank you. Do you have a copy of Article IV,
20 Section 4, Objectivity and Independence? Just Article IV. I'm
21 sorry.

22 A Yes, I have Article IV.

23 Q Okay. Please read the portion starting with, "A
24 member."

25 A The italicized under the title?

1 Q Yes, ma'am.

2 A Okay. "A member should maintain objectivity and be
3 free of conflicts of interest in discharging professional
4 responsibilities. A member in public practice should be
5 independent in fact and appearance when providing auditing and
6 other attestation services."

7 Q Okay. Could you read the next sentence, please, and
8 then that's it?

9 A Subpart 01? I read those two sentences in the
10 italics.

11 Q Okay. Never mind. Is BellSouth willing to agree
12 that the auditor must be a member of the AICPA?

13 A BellSouth is, in its opinion, complying with the
14 FCC's requirements that the audit be conducted in accordance
15 with AICPA standards. I don't know that we can -- as far as
16 being a member of the AICPA, I don't know that we considered
17 that as a specific requirement. I mean, I think the
18 requirement or the obligation is that the audit be conducted in
19 accordance with AICPA standards. Whether a firm is a, quote,
20 unquote, member should be, I mean, irrelevant in a lot of
21 regards because they are attesting that they are complying with
22 the standards that those members comply with. So the end
23 result should be the same.

24 Q Okay. The joint CLECs are, would like a mutual
25 agreement as to the auditors being members of the AICPA.

1 A Well, I guess BellSouth's position is that's an
2 unnecessary requirement and contradicts the obligation set
3 forth in the FCC's order.

4 Q Just a moment.

5 (Pause.)

6 Okay. Ms. Blake, I'm back.

7 If the auditor finds a problem but the CLEC disagrees
8 with the finding, does the CLEC have any recourse to appeal
9 that finding?

10 A The CLEC would have the recourse to come to the
11 Commission as kind of a dispute resolution under the agreement.

12 Q Okay. Let me see if I understand you correctly.
13 You're saying that the recourse is coming to the Commission
14 and -- is that what you're saying?

15 A It would be a dispute under the agreement. The terms
16 of the agreement would set forth how we would do the audit or
17 the process for the audit. And if they didn't agree with the
18 findings of the audit, I believe that would be subject to the
19 dispute resolution procedures process set forth in the
20 agreement.

21 Q Okay. Where can that be found in the interconnection
22 agreement?

23 A Dispute resolution being arbitrated under Issue 9,
24 it's the general terms and conditions section.

25 Q Could you repeat that? I'm sorry.

1 A It's in the general terms and conditions section.
2 I'm trying to find my copy.

3 Q Okay. No problem.

4 A Section 13 of the general terms and conditions.

5 Q Is, is BellSouth willing to add language to the
6 interconnection agreement that would allow for such a process?

7 A Allow for a process of disputing the results of an
8 audit?

9 Q Never mind that question. Disregard it, please.
10 Could you give me a moment?

11 (Recess taken.)

12 BY MS. SCOTT:

13 Q Okay. Ms. Blake, I have several questions that
14 relate to Issue 97. That is the issue about when payments
15 should be due.

16 A Okay.

17 Q Please turn to Page 44 of your rebuttal testimony.

18 A I'm there.

19 Q Okay. Please go down to Line 5 where you use the
20 term "special circumstances."

21 A Right.

22 Q Could you please review this text? Let me know when
23 you're ready.

24 A Okay.

25 Q Could you list for me what special circumstances you

1 had in mind?

2 A I think that'll be dependent upon our discussions
3 with the CLEC, unless it would be prompted by the CLEC
4 contacting us and saying, you know, the person that handles my
5 bill is, you know, had a death in the family or, you know,
6 we've got a situation within their company that is going to
7 cause them to not to be able to pay their bill by the payment
8 due date and they're seeking an extension, they could have had
9 a flood in their office that, you know, caused them to be out
10 of commission for a few days. Those type of situations would
11 come to mind. We don't have an exhaustive list or even a
12 contemplated list. It would be dependent upon the circumstance
13 the CLEC brings forth to BellSouth at the time.

14 Q Okay. Give me a moment, please.

15 Okay. If I understood you correctly, are you saying
16 that it's, it's purely a function of what the CLEC brings?

17 A It would have to be determined based on the situation
18 the CLEC would bring to our attention. You know, we, we talk
19 with the CLECs, our collection and, billing and collection
20 organization, you know, has sometimes daily, weekly, sometimes
21 multiple times daily discussions with the billing groups of the
22 CLECs, and either questions about their bill or inquiries
23 about, you know, disputes, status of disputes pending. So, I
24 mean, it's in the normal course of business in dealing with our
25 customers, which the CLECs are our customers just like any

1 other customer, we would, you know, extend extensions, grant
2 extensions in those circumstances that we feel it would be
3 warranted and justified. I mean, they just call up and say,
4 you know, I need more time to pay because I, you know, hadn't,
5 you know, felt like paying your bill, you know, that to me is
6 not a special circumstance that would warrant an extension.

7 Q Okay. Thank you.

8 Could you now please turn to Page 45 of your rebuttal
9 testimony beginning at Line 11?

10 A I'm there.

11 Q Are you there?

12 A Yes. I'm sorry. Yes, I'm there.

13 Q Oh, okay. There you describe the bill generation
14 process; correct?

15 A Yes.

16 Q Okay. Is bill generation the same for retail as
17 wholesale?

18 A Yes. The systems that are used to bill the CLECs and
19 our other wholesale customers and our retail customers are the
20 same systems, which is our CRIS system, CRIS, Customer Records
21 Information Systems, and our CABS, Carrier Access Billing
22 Systems, are the two billing systems that are used to bill all
23 of our customers.

24 Q Okay. So bill generation is the same for retail and
25 wholesale; correct?

1 A Yes. Depending on the system that their bill is
2 generated from, whether it's a CRIS bill, there may be some
3 different bill generation processes that are not quite exactly
4 the same as the CABS bill generation process. But if the
5 customer is billed via our CRIS system, regardless of the type
6 of customer, it would all be generated the same way.

7 Q Okay. A bill date is not the same as the bill
8 generation date; correct?

9 A Correct. The bill date is the set date that is
10 populated on the customer's bill that says this is when we
11 basically stopped -- for this month we stopped accumulating the
12 charges. And then the bill generation is the process we go
13 through to generate the bill, pull all the charges, do all the
14 processing and producing of the bill.

15 Q Are the terms "bill date" and "bill generation date"
16 separately defined in the interconnection agreement?

17 A I do not believe to that specificity they are. I
18 mean, the interconnection agreement sets forth the -- we send
19 you a bill, we expect it to be paid by the payment due date,
20 which is defined as on or before the next bill date.

21 Q You state that the bill generation date is typically
22 three to four business days past a bill date; correct?

23 A Typically, yes.

24 Q Has that always been the case?

25 A Yes. Typically in the past even with our retail

1 customers before we had CLECs in this environment, that's --
2 our, our systems need the time to pull the records, and we may
3 be getting data, toll records from other parties that have to
4 go on that bill, and we accumulate those records, validate and
5 make sure they're appropriate and then put them on the bill,
6 generate the bill.

7 Q Are there any exceptions?

8 A Exceptions for it being three, an average, you know,
9 estimated three to four days or exceptions for what? I'm not
10 sure I follow you.

11 Q Yes, ma'am. The three to four business days, I'm
12 just asking you if there have been any exceptions in the past.

13 A I mean, there could be -- by exception, I guess I'll
14 answer it in the context of there could be situations that
15 cause it to be shorter or longer than that, you know, period of
16 time. A lot of it will be dependent upon the records that are
17 being gathered and the processes that are having to take place.

18 Q Okay. Upon request or as a routine business practice
19 has BellSouth ever generated bills on the bill date?

20 A Not to my knowledge. Like I said, predominantly we
21 accumulate the usage and on all the billing records that are
22 associated with that particular account and make sure they're,
23 that we've got everything up, you know, that was incurred
24 through that, that bill date, and then go through the, the
25 processing and the generation of the bill.

1 So I can't, can't imagine or recall or have any
2 knowledge of that we would have had the ability to, like, on
3 the first bill period that we generate the bill on the first.
4 It would be highly unlikely.

5 Q Do you know if BellSouth has ever been requested to
6 do, to do this on an individual case basis?

7 A Not to my knowledge. I do not have any knowledge to
8 that effect, and I would be --

9 Q Can a wholesale or retail customer request that
10 BellSouth generate a bill on the bill date?

11 A I, I guess they could request anything. Whether we
12 can honor that request is really the issue here. As far as to
13 individually process and generate a bill for one customer on a
14 specific date and realizing the volume of bills we generate
15 every month in the 20-plus billing cycles we have in a month,
16 it just would not be an efficient -- I mean, again, we'd have
17 to weigh what would be the cost of doing that. And, again, you
18 know, we've got processes in place for CLECs to request things
19 that are outside of our obligations, which, you know, I'm not
20 aware that any CLEC has asked for that through our business
21 request or bona fide request process or the new business
22 request process rather.

23 Q Okay. I want to shift over to Page 46 now of your
24 rebuttal testimony.

25 A Okay.

1 Q Beginning at Line 24. There you reference that SEEM
2 penalties enter the picture if BellSouth fails to remit bills
3 timely.

4 A Yes.

5 Q For the record, SEEM is an acronym for
6 self-effectuating enforcement mechanism; correct?

7 A Correct.

8 Q Please tell me what is timely versus untimely.

9 A I believe the timely criteria is established in the
10 service quality measurements that the Florida Commission
11 established as what the benchmarks are. And I believe the
12 benchmark for invoice timeliness is, or mean time to deliver
13 invoices is set at parity with retail.

14 So if -- our measure is if, if we send our retail
15 bills in four days, we have to at least do the same for the
16 CLECs in four days. That's the analog.

17 Q Subject to check, would you agree that the SEEM
18 metric that relates to timeliness is the mean time to deliver
19 invoices metric?

20 A Yes. And I believe we attached that to one of our
21 interrogatory requests to the staff. Average time to deliver
22 bills is the parentheses under the report.

23 Q Okay. Thank you.

24 If BellSouth pays a Tier 1 SEEM penalty for a mean
25 time to deliver invoices metric, are the affected CLECs

1 afforded any specific terms and conditions because the billing
2 was untimely?

3 A I'm not real versed on the Tier 1 type penalties. I
4 believe those are payments directly to a CLEC --

5 Q Yes.

6 A -- using their particular measure.

7 Would you ask your question again? I was thinking
8 about the Tier 1 when you were asking.

9 Q Sure. No problem. If BellSouth pays a Tier 1 SEEM
10 penalty for a mean time to deliver invoices metric, are the
11 affected CLECs afforded any specific terms and conditions
12 because the billing was untimely?

13 A By terms and conditions, are you talking about in the
14 concert of their interconnection agreement?

15 Q Yes.

16 A Not -- and, again, that could be if the bill was
17 delivered late, you know, and that would perpetuate it being a
18 SEEMs penalty or could fall into a SEEMs penalty. It could be
19 that we would waive late payment charges in that case.

20 Q Okay. Now for the next question if you could get out
21 joint CLEC or joint petitioners' witness Hamilton Russell's
22 rebuttal testimony.

23 A I have it.

24 Q Or, I'm sorry, direct testimony.

25 A Right.

1 Q I apologize for that.

2 A I don't have his direct. That's the rebuttal.

3 MR. MEZA: I have it here, Kira. Just give me one
4 second to give it to the witness.

5 MS. SCOTT: Okay.

6 THE WITNESS: Okay.

7 BY MS. SCOTT:

8 Q Okay. At Page 41, Line 12, and continuing to Page
9 42, Line 9.

10 A Okay.

11 Q Their witness Russell describes CLEC-specific
12 experiences with respect to the timeliness of BellSouth bills.

13 A Right.

14 Q Could you explain why the bill delivery for these
15 particular CLECs varied greatly from month to month?

16 A No. I'd like to be able to, but I haven't seen this
17 study. And I think we took exception to the study because we
18 had asked for it and I don't think we've been given it. And,
19 again, this doesn't, is not consistent with the, the SQM and
20 the performance measurements data that we have for the CLECs in
21 Florida. And I believe NuVox gets their bills electronically
22 or a good portion of their bills electronically, so we were
23 surprised by this, and I think in my rebuttal we, we took issue
24 with it.

25 Q Thank you for that.

1 Now my next series of questions, you'll need to get
2 out BellSouth's responses to staff's first set of discovery.

3 A Okay. Yes. I'm ready.

4 Q Okay. Please turn to the attachment for Item Number
5 16.

6 A I have it.

7 Q In general, what does this report tell us?

8 A This is the SQM report for Florida for the time
9 period of January 2004 through December 2004, the billing
10 measure that measures the mean time to deliver invoices via
11 CRIS or CABS, those are the two billing systems, which in
12 essence is an average time to deliver bills.

13 It shows the month, the source or the system, which
14 is CABS or CRIS, has the state, which shows Florida. It shows
15 the product group description, whether it's interconnection,
16 resale or UNE. It shows, reflects what the benchmark analog
17 is, and in this case it's retail.

18 And the next three columns, again, are probably more
19 detail or there's more detail to them than I'm able to give.
20 But it shows data that was used in calculating the measurement
21 based on BellSouth's retail information, and then the CLEC
22 volume information is in this next three columns. And then
23 there's some other standard deviation errors which are blank,
24 and then there's a Z-score equity that indicates whether we met
25 the measure, are we at parity or not. And there's only one

1 month that shows not at parity for one, for one system.

2 Q Okay. The data in this report represents aggregate
3 CLEC information; correct?

4 A Yes.

5 Q Is the benchmark for this metric parity with retail?

6 A Yes.

7 Q What is parity?

8 A Substantially same time and manner would be my
9 definition of parity.

10 Q Parity with retail is not a fixed, fixed measure, is
11 it?

12 A I'm sorry?

13 Q Parity with retail is not a fixed measure, is it?

14 A Fixed measure? It would be parity -- parity would
15 mean whatever the retail results are that were either the same
16 or better, were not worse. If it's worse than what we offer to
17 retail or what we're providing to retail, then that's not in
18 parity.

19 Q Does that mean it goes up and down, that it can float
20 from one time period to another?

21 A Yes, depending on what the measurement window is,
22 window is for that particular measure. Basically it's a month.
23 You know, again, I'm not that detailed about the intricacies of
24 the SQM and what goes into the actual measure, that data that's
25 considered. But on this particular report you can see under

1 the column labeled for the first row, January '04 for CABS
2 interconnection, the BellSouth metric or, that were measured
3 against for CLECs, we delivered their bills, average time
4 delivery was five days. CLECs, the average was 4.8 to
5 8.5 days. So we were better than the 5 we did for retail.

6 Q Does BellSouth's proposed interconnection language
7 allow payment terms to float?

8 A I'm sorry? I'm not sure I'm following your question.
9 Payment terms for CLECs to pay their bills?

10 Q Yes.

11 A No. The language in the agreement is predicated upon
12 payment is due on or before the payment due date, which is
13 defined as the bill date of the next month. Again, we've
14 got -- you know, if there's situations that they need more
15 time, we could, you know, discuss those and don't unreasonably
16 deny those requests.

17 So, I mean, the bill is expected to be paid on or
18 before the payment due date, as with every one of our other
19 customers.

20 Q Would you agree that contract terms need to be firm
21 as opposed to floating?

22 A I think contract terms need to be defined so the
23 parties understand what their obligations are.

24 Q Okay. Is it correct that BellSouth met the benchmark
25 for both sub-metrics in almost every reporting period?

1 A Are you referencing the mean time to deliver invoices
2 measure that we provided? I mean, I don't --

3 Q Yes.

4 A Okay. We met the, we met the metric in all except
5 the one on January 4th that's at the bottom of the first page
6 for the UNE retail, UNE, CRIS UNE for that 12-month period.

7 Q Please look at the last column on the right-hand side
8 of the page labeled Z-Score Equity.

9 A Yes.

10 Q I noticed that there are a series of "yes" entries
11 and a single "no" entry for January 2004. The January 2004
12 entry, that is for the UNE data from the CRIS system?

13 A Right.

14 Q Can you explain what the "yes" and "no" entries mean?

15 A Certainly. The equity means is it at parity? Did we
16 meet their measurement? And for the only -- all the other
17 yesses it means if you looked -- it's basically a -- you can do
18 it manually by looking at the BST metric column and the CLEC
19 metric column. If the CLEC metric column is below the BST
20 metric column, then that would be a yes because we were better
21 than the retail, better than or equal to or the same as.

22 And the only one where the CLEC metric is higher than
23 the BST metric is in that January '04 CRIS UNE row: 4.69
24 versus 5.15. So that's why that's a no. It's basically are we
25 at parity or are we not, yes or no?

1 Q Okay. Is the Z-score equity value the trigger for a
2 Tier 1 SEEM penalty?

3 A I'm not sure that I'm in a position to answer that.
4 I don't, I don't know if there's other factors that may play
5 into, into whether we pay a penalty based on just a yes/no in
6 one particular item or not. I don't know.

7 Q Would you be able to explain how the Z-score equity
8 value relates to the SEEM trigger?

9 A No, I would not.

10 Q Do you believe that the issue is not really about
11 parity with retail?

12 A Relative to payment due date?

13 Q Yes. Issue 97, yes.

14 A Yeah. Well, if it was parity to retail, that's
15 exactly what we're offering to the joint CLECs, the same
16 billing payment due date that we offer to our retail customers.
17 So it's basically the joint petitioners are wanting better than
18 we offer to our retail customers. We expect our retail
19 customers to pay their bill by the payment due date, which is
20 on or before the next bill date at the latest. I mean, I think
21 in some of the retail it may, we may even publish a payment due
22 date that is sooner than the bill date.

23 But, again, I think what the joint petitioner is
24 asking for is beyond what we, we offer our retail customers.

25 Q Because the performance metric for mean time to

1 deliver invoices is parity with retail, do you believe that
2 meeting this metric may not necessarily meet the terms of a
3 contract?

4 A If the contract required us to do better than we do
5 for retail, yes, that could be the case. And that's what we're
6 trying to avoid, having an obligation to do something beyond
7 what we're obligated to do for our own retail customers.

8 Q What if it's worse?

9 A Then the SEEMs penalties will apply and we would pay
10 penalties to account for that inferior -- or not meeting that
11 measurement.

12 Q Okay. Thank you.

13 My next few questions deal with Issue 26,
14 commingling. Please describe BellSouth's typical UNE copper
15 loop that CLECs utilize under Section 251 and then under
16 Section 271.

17 A An unbundled copper loop provided pursuant to
18 251 would be the loop from the main distribution frame to the
19 end-user customer's premises as defined by the FCC for a loop,
20 and it would be priced at TELRIC in accordance with the TELRIC
21 pricing principles of 252.

22 A loop provided pursuant to 271, since it's a
23 251 obligation, it's basically the same, same loop. We don't
24 really offer -- and I'm going to caveat all this based on the
25 TRRO and how that's going to pull out high cap loops. I'm not

1 speaking of that. So I'm just speaking of basic copper loops,
2 DS0 type loops that will still be provided.

3 We would offer that copper loop or DS0 level loop in
4 accordance with 251. It really wouldn't be purchased as a 271
5 element.

6 Q Are the rates, terms and conditions different for the
7 251 and 271 UNEs described, that you just described?

8 A Well, if a UNE is offered pursuant, has to be offered
9 or we have an obligation to offer it pursuant to 251, it would
10 be priced at TELRIC. If an element is no longer obligated, we
11 no longer have an obligation to provide that element as a
12 251 element or UNE and we offer it only pursuant to 271, it
13 would be priced not at TELRIC, at a market-based rate.

14 Q If a CLEC has a voice grade DS0 251 UNE and a voice
15 grade DS0 271 UNE, would BellSouth commingle the two DS0s at
16 the CLEC's request?

17 A Not pursuant to the interconnection agreement.

18 Q Would BellSouth allow the CLEC to commingle the DS0s
19 using the CLEC's own equipment?

20 A We, we would provide the DS0 loop. And I guess to
21 make sure we're talking the right elements, if you will, the
22 251 DS0 loop we could provide -- we would provide pursuant to
23 the interconnection agreement. If they wanted a 271 switch
24 port and we had a separate agreement for that switch port to
25 provide that switch port pursuant to 271, it would be priced at

1 whatever the agreement contains. We, we could -- we'd deliver
2 the UNE loop to their collo, as we're required to do, and
3 whatever provisions we would have in the commercial agreement
4 to deliver or to give them access to that switch port probably
5 at their collo. So the obligations to terminate the UNE at
6 their collo does not go away for the 251 element. And whatever
7 is governed in the contract for that 271 switch port would,
8 would govern and we'd deliver it wherever we agreed to deliver
9 it so they could, they could combine it.

10 Q If the CLEC commingles it on its own initiative, how
11 will BellSouth determine commingling has occurred?

12 A Well, we would have an agreement to provide that
13 switch port or whatever, or whatever the rates and terms and
14 conditions are for providing that 271 switch port, which would
15 not be constrained or under the interconnection agreement. It
16 would be a separate agreement to get a stand-alone switch port
17 pursuant to 271. And then whatever -- however we would deliver
18 that to them or give them access to that switch port would be
19 governed by that 271 agreement or contract. And what they do
20 with it or connect to it, they take one of our UNE loops and we
21 terminate that to their collo space and then they cross-connect
22 that to a switch port they're getting from us under 271, that
23 would be how that could be facilitated. Again, I don't know
24 all the operational ins and outs of all that, but, I mean, that
25 would be one way to facilitate that.

1 But, again, the 271 switch port is outside the
2 requirements of 251 and outside of this interconnection
3 agreement.

4 Q Okay. In your opinion, is BellSouth obligated under
5 Section 251 to provide the tandem intermediary function?

6 A You're moving to Issue 65?

7 Q Yes.

8 A Okay. Sorry.

9 Q I'm sorry for not being more clear.

10 A Okay. We have an obligation -- all, all carriers
11 have an obligation to either directly or indirectly
12 interconnect and we fulfill that obligation.

13 BellSouth doesn't believe it has an obligation to
14 perform the transit function or perform a transit function at a
15 TELRIC rate. We have agreed we would provide it, we just do
16 not believe it should be -- it's not appropriate to be priced
17 at TELRIC.

18 Q Is it necessary for this Commission to set a
19 TELRIC-compliant rate for the TIC?

20 A No. We would prefer you didn't.

21 Q Why is that?

22 A Again, it's our opinion that the FCC and the Wireline
23 Competition Bureau has found that the transit function is not
24 something that should be, should be provided at TELRIC. And I
25 think the, the jurisdiction of an interconnection agreement by

1 the Commission is, is pursuant to 251, 252 pricing. But if
2 something is not obligated to be priced at TELRIC, then it
3 should be up to the parties to negotiate and determine the
4 appropriate market price.

5 Q Excuse me for a moment.

6 Where could that be found?

7 A I'm sorry?

8 Q Where can that be found? What order or other
9 resource could we find that in?

10 A I believe in my testimony I cited to the Wireline
11 Competition Bureau's Virginia arbitration order. Let me find
12 it real quick. If I didn't, I should have. It may have been
13 in my direct.

14 Q Ms. Blake --

15 A Yes. I found it. It's in my direct testimony. It's
16 really kind of -- Issue 63 and 65 are very intertwined, and
17 it's cited to in my, under Issue 63 on Page 38 of my direct
18 testimony.

19 Q Is this testimony, this Virginia arbitration
20 testimony, the only place that you can point to this?

21 A I believe the Georgia Commission has also made a
22 finding just in the last couple of weeks that transit function
23 is not appropriate to be priced at TELRIC.

24 Q Okay. Do you have the docket number for that?

25 A I can --

1 MR. MEZA: We can give you that, the actual
2 transcript from that order as a late-filed, Kira.

3 MS. SCOTT: Okay.

4 MR. MEZA: That will be BellSouth Late-Filed 2; is
5 that right?

6 MS. SCOTT: Yes. Thank you.

7 (Late-Filed Exhibit 2 identified.)

8 BY MS. SCOTT:

9 Q Okay. Ms. Blake.

10 A Yes.

11 Q What basis was used to develop the TIC?

12 A What basis? Are you talking about a costing or
13 pricing basis?

14 Q Yes.

15 A I'm not aware of any specific methodology that was
16 used. That was developed through our product management
17 organization within interconnection services.

18 Q Has BellSouth previously charged or attempted to
19 charge any of the petitioners the TIC?

20 A Yes, we have. Well, as far as the joint
21 petitioners -- I know we have agreements in place with other
22 CLECs that have the TIC charge in them.

23 Q Okay. Do you -- would you happen to know when and at
24 what rate?

25 A When and at what rate with the joint petitioners or

1 with other CLECs?

2 Q The joint petitioners.

3 A I kind of took back my -- whether we had billed the
4 joint petitioners for that or they have agreed to that or not
5 in the past. I don't believe they have in all the states.
6 There may be -- I'm getting confused because I'm thinking there
7 was a couple of states that we had a rate in the standard
8 agreement, and I don't believe those joint petitioners -- they
9 may or may not have had that. I'm not familiar enough.

10 Q What about with the other CLECs?

11 A There's several agreements that have a TIC rate, if
12 you will, in their interconnection agreement and -- executed
13 interconnection agreement. I don't know specifically for
14 Florida, but I have seen some data for a couple of other states
15 that have a number, 20, 30, that have that rate in there.

16 Q Okay. I would like to pose a hypothetical for you.

17 Assume that one of the petitioners hands off traffic,
18 hands off traffic to BellSouth at the tandem, which BellSouth
19 then hands off to a wireless carrier, the traffic being three
20 minutes in length. Under the parties' current interconnection
21 agreement what charges would be assessed?

22 A Their current agreement or the proposed agreement?
23 I'm sorry.

24 Q The current agreement.

25 A And I'll predicate this answer on if their current

1 contract does not contain a TIC charge, I believe the rates
2 that would be would be tandem switching and transport, if
3 there's transport to that wireless carrier.

4 Q Okay. What specific elements and rates would apply
5 to this scenario?

6 A It would be set forth in their Attachment 3, I
7 believe it's tandem switching and transport, if there's
8 transport involved in that hand-off to that carrier.

9 Q Now under your proposal in this docket what charges
10 would be assessed?

11 A The tandem and the transport and the TIC charge.

12 Q And what specific elements and rates would apply to
13 this scenario?

14 A Well, the tandem and the transport would be the
15 Commission-ordered TELRIC rates. The TIC charge would be, I
16 believe we proposed a .0015.

17 Q Okay. Now I'm going to ask you several questions
18 dealing with Item 100.

19 A Okay.

20 Q If you could please get out your rebuttal testimony
21 and turn to Page 47.

22 A I'm there.

23 Q Lines 12 through 13.

24 A Okay.

25 Q It's really just a reference point for you actually.

1 There's nothing that you need to read.

2 You stated there, nondisputed charges are due by the
3 payment due date. Is that correct?

4 A Yes.

5 Q Okay. Now please refer to Attachment 7, Section 2,
6 Billing Disputes, of the proposed interconnection agreement.

7 A Hang on. I've got it right here. Hold on. Wrong
8 one. I'm sorry.

9 What page again, section?

10 Q Oh, Attachment 7, Section 2, Billing Disputes.

11 A Okay.

12 Q Specifically 2.1.1, which speaks of confirmation of
13 the receipt of a dispute.

14 A Yes.

15 Q Does this confirmation indicate whether the dispute
16 was acknowledged as a procedurally valid dispute?

17 A I think if you look at 212 in the next paragraph, it
18 talks about all valid disputes as defined in 2.3 below. I
19 think that's where the parties have agreed what a valid dispute
20 is, if there is.

21 Q When do they find out when their dispute has been
22 accepted as valid?

23 A I believe we've got to respond within three days
24 because -- I'm just reading through this stuff. Give me one
25 second, please.

1 Q No problem.

2 A Down in para -- Section 215, we would endeavor to
3 resolve their dispute within 60 days of the notification date.
4 So once they notify us they've got a dispute, it's treated as a
5 disputed charge. So the fact that they've reported it and
6 submitted it as a dispute until we either respond back that
7 it's a valid dispute and we're going to adjust it or it's not a
8 valid dispute and they've got to pay it, it's still in the
9 disputed category and, as such, would be excluded from our
10 suspension notice or we would not expect payment of disputed
11 charges.

12 Q Okay. From the time a procedurally valid bill
13 dispute is received, how long does it take BellSouth to post
14 the disputed amount to the proper account?

15 A I'm not versed enough in the details of the timing of
16 those. I guess if we notify them it's a valid dispute, we'd
17 work the adjustment and their credit would appear on their next
18 bill. Those type of processes are typical for all of our
19 customers. As far as the timing, I don't have the details of
20 how long that takes. Again, I think it's consistent with the
21 language that's in this agreement that the parties have agreed
22 upon, and there's no dispute about the dispute resolution or
23 the billing dispute process.

24 Q Okay. Please give me a moment.

25 (Discussion held off the record.)

1 BY MS. SCOTT:

2 Q Okay. Ms. Blake?

3 A Yes.

4 Q After informing BellSouth of a dispute, how many days
5 does it take to be posted on the account so that the payment
6 for that amount is not expected by the due date?

7 A I don't know the specific timing of that. Our
8 systems would acknowledge that dispute and any notice we would
9 send out. And as I discussed in my testimony, down about Line
10 20, that same page, 47, our billing systems, CRIS and CABS,
11 acknowledge a pending dispute that's been submitted
12 electronically through the billing dispute process as outlined
13 in the contract. So it would -- we'd have the knowledge the
14 dispute has been submitted and it's in something, a charge or a
15 rate or an amount is in dispute. And so, therefore, any notice
16 we would send out after the payment due date has passed would
17 take into account those disputed amounts and back those out of
18 the amount we are expecting payment.

19 Timing wise, I don't know. When we send a notice
20 after the payment due date has lapsed, we include information
21 in that notice as to, you know, here's the amount we originally
22 billed you. You know, here's an amount that represents
23 disputes we have on file, and then this is the amount you have
24 to pay within 15 days to avoid suspension. That is clearly
25 laid out in the information sent with the notice. So the CLEC

1 would know here's all the disputes that BellSouth is
2 acknowledging. If they happen to submit one the day before the
3 note is sent out, it obviously may not be in that notice that
4 says the total amount to be paid. So -- but I would think the
5 CLEC should have the intelligence to know, well, I just
6 submitted this dispute. They could call our office if they
7 wanted to verify that again, but we would not expect payment of
8 disputed charges.

9 Q Okay. Now would you please refer to Page 47, Lines
10 20 through 24.

11 A Okay.

12 Q Why did BellSouth modify its collection process to
13 handle the notices for the integrated billing system the same
14 as the notices for the carrier access billing system?

15 A This gets back to just a little bit what I was just
16 talking about. Previously in our integrated billing system we
17 just, on the payment due date we sent -- when the payment due
18 date passed, we would send a notice that says, we haven't
19 gotten your payment. And it could likely, most cases would
20 have just reflected the total amount that was on their original
21 bill and didn't account for any disputes that had been entered
22 into the system. And previously -- in CABS in the converse we
23 did that. We, we took account of all disputes pending, backed
24 those out of the amount due and said, okay, you owe us this,
25 this amount, which was reflective of all the undisputed

1 charges. So we basically changed our collection process and we
2 sent a carrier notice out early February indicating that those
3 treatment notices would be reflective or net, if you will, of
4 any pending disputes.

5 Q Was that changed nationwide -- I mean, region wide?
6 Excuse me.

7 A Yes, it was.

8 Q When BellSouth receives a payment from one of the
9 joint petitioners, how long does it take BellSouth to post the
10 payment to the proper account?

11 A I'm not familiar with the details of the timing of
12 that. I believe a lot of these joint petitioners wire transfer
13 money, so we'd get it the day -- it would be entered in the day
14 we -- you know, instantaneous, if you will, from the bank
15 transfer.

16 Again, I don't think the issue of when a payment is
17 received is at dispute between the parties is considered --
18 payment is considered made when the party receives it. I mean,
19 that's not a disputed section of the contract.

20 Q Okay. Please refer now to Exhibit KKB-2.

21 A Okay. I'm there.

22 Q According to your example, the notice states an
23 amount that must be paid and a notice due date for the
24 March 1st bill; correct?

25 A Correct.

1 Q Is a 15-day notice also sent for the March 2nd and
2 March 4th bills if they're not paid by their respective due
3 dates?

4 A Yes.

5 Q Do the notices for the March 2nd and March 4th bills
6 also include a 15-day due date?

7 A They would just because they're systematically
8 generated and the system wouldn't know that the other previous
9 first billed invoice had not been paid. So it's triggered
10 systematically by our billing systems on the past due -- when
11 the payment due date passes.

12 So, yes, it would be reflective of -- for that
13 particular account, like in this example on the 2nd, it would
14 reflect \$500 is due, representing undisputed amounts, is due or
15 has become past due and, therefore, we're going to notice you
16 that you're in risk of suspension of LENS or your OSS access.

17 Q If a bill dated March 14th with a due date of
18 April 14th was not paid by April 14th, would that bill have to
19 be paid by April 16th to avoid suspension of ordering systems?

20 A That bill should have actually been paid by
21 April 14th; however, the notice would go out on the 14th
22 indicating that we had not received your payment and we would
23 expect payment of nondisputed -- if you still haven't paid the
24 first billed period and you got that notice, we would expect
25 payment of all the past due amounts, undisputed past due

1 amounts that became due.

2 Q Excuse me for a moment.

3 Ms. Blake, what would the due date say on the notice
4 or the notice due date?

5 A The notice would be triggered on the payment due
6 date, say on the 1st of April we'd generate the notice,
7 suspension notice that would say we haven't received your
8 payment, please pay. And it would have a file attached to it,
9 if you will, that would indicate, you know, these are the
10 amounts that are due, you know, net of any disputed amounts.
11 And it would say to avoid suspension of provisioning additional
12 orders or basically access to their OSS systems, submitting any
13 orders or order activity, pay these charges by 15 days after
14 the 1st or the 16th.

15 And then it also in that same notice says, if you
16 don't do that, then you're subject to the complete termination
17 within 30 days of the, of April 1st.

18 Q Okay. Now in reading the proposed BellSouth language
19 in Item 100 would it be correct to say that the CLECs would
20 have to pay past due amounts in addition to those specified in
21 a notice in order to avoid suspension or termination?

22 A Yes. I mean, that's, that's the intent of our
23 language is -- I mean, the intent is for the CLEC to pay their
24 bill by the payment due date, that's the first desire, and
25 avoid all of this.

1 However, if they have not done so and we send, and we
2 put them, their account into treatment, if you will, then if
3 they're slow paying or haven't paid that first bill cycle, then
4 we need to make sure they're not in a perpetual, you know,
5 always paying on, by the notice. I mean, the notice is not
6 their bill. Their bill tells them when the payment is due.
7 The notice is to say we haven't gotten your payment, you know,
8 and we need to, you know, make sure we're going to get our
9 money, and not be, you know, at risk for not getting paid for
10 those charges.

11 Q Would it be correct to say that CLECs would have to
12 calculate the total past due amount taking into account
13 procedurally valid disputes of payments and partial payments to
14 avoid suspension or termination?

15 A Not necessarily. That notice -- I mean, they'll get
16 a notice for all these bill cycles where the payment due date
17 has passed. It will be net of any disputes that have been
18 posted. Again, like I said, if they file a dispute three days
19 before the end of the payment due date and maybe it didn't get
20 in there, reflected in the notice, I mean, they should have
21 that intelligence to know, well, I just filed a dispute for,
22 you know, \$200, so I need to back that out and pay that net.

23 Again, this should be a normal business practice for
24 a CLEC managing their financials and understanding, you know,
25 their accounts receivables, accounts payables of what they've

1 got to keep their account current. And, again, our, our
2 collection centers talk daily, multiple times daily sometimes
3 from some information I've seen with these joint petitioners'
4 billing contact people on a first-name basis. And, I mean,
5 we, we deal with them. They call us and say, you know, is this
6 the right amount or how much, and we very much willingly work
7 with them. But, again, I think this whole process of not
8 requiring them to pay undisputed charges results in
9 perpetuating slow pay or delayed pay.

10 Q Do all of the joint petitioners' current
11 interconnection agreements with BellSouth have the language
12 proposed by BellSouth in Item 100?

13 A Without looking exactly at each of their current
14 agreements, I don't recall off the top of my head. I know that
15 our, the intent of our standard is for all CLECs to pay or all
16 of our customers to pay their past due amounts in order to
17 avoid suspension. I mean, it's really no different than we do
18 for our retail customers. If you've got five accounts with us
19 and one of them is, you know, past due and then another one
20 becomes past due, we want to get all of your accounts current
21 and out of the past due state before we continue to extend
22 credit to you, if you will.

23 To answer your original question, without looking at
24 the specific sections of their, to each of the joint
25 petitioner's Attachment 7 relative to this, but I know that is

1 our standard position and I would be surprised if it wasn't in
2 there.

3 Q I would like you now to refer to Page 163, Lines
4 9 through 10 of the transcript, the hearing transcript in North
5 Carolina.

6 A Okay. I'm there.

7 Q Okay. I believe that's where BellSouth Witness
8 Morillo states, "We have never suspended your clients for
9 nonpayment," and the same witness's Florida direct testimony on
10 Page 9, Lines 7 through 9, where he asserts, "Often after
11 receipt of a notice of past due charges the parties will enter
12 into discussions related to payment arrangements in an effort
13 to resolve the issue without the need for suspension or
14 termination."

15 My first question to you is do you agree that these
16 statements indicate BellSouth has worked with the petitioners
17 when payments are past due and has never suspended or
18 terminated service to them?

19 A Yeah, I would agree with that. We do work very
20 closely, as I mentioned, sometimes daily, multiple times daily
21 talking with these joint petitioners' billing centers about
22 these matters and trying to work with them. I mean, it takes a
23 lot to suspend as far as work effort and stuff. And if we can
24 get terms and conditions or terms set up, payment terms made
25 that's agreeable to both parties, that's what we want to do,

1 and we work with them definitely.

2 Q How does the petitioners' proposal for an individual
3 notice for each past due bill constitute, quote, a self-serving
4 attempt to extend the payment due date by at least 15 days? I
5 believe that's a quote from your rebuttal testimony.

6 A Yes, it is. And I guess if we look back at my
7 Exhibit KKB-1 kind of as the example there, and this reflects
8 obviously what BellSouth's language supports, but if you kind
9 of visually change this to be with the joint petitioners, on
10 that second we would have sent the notice for the past due
11 amount on the first bill period, bill date, and then the about
12 \$500 resulting from the invoice with the bill date of the
13 second, we'd send that on the 2nd of April.

14 What they want to do is, you know, out here on the
15 16th of April, okay, we'll pay that one by that date, and then
16 on the 4th, they'll pay that by the 20th of April, and you just
17 have this perpetual, each, each account in essence has an extra
18 15 days to pay. And it should be that they pay their bill by
19 the payment due date. And if they haven't done that, then
20 they're basically in a collection status and we need to collect
21 our monies for all of the past due, outstanding past due
22 undisputed amounts.

23 MS. SCOTT: Okay. Ms. Blake, I have no further
24 questions.

25 Jim, I guess we need to talk about when the

1 late-filed exhibits should be due.

2 MR. MEZA: Yes. We can get you the transcript rather
3 quickly. Regarding the proposed language, it could be more
4 time consuming because we have to talk to, you know, our
5 negotiators and stuff. So would a week be okay?

6 MS. SCOTT: Okay. Would March 7th be reasonable?

7 MR. MEZA: Sure.

8 MS. SCOTT: Okay. Well, I guess that's all.

9 MR. MEZA: Yeah. Just for the record, I have no
10 redirect.

11 MS. SCOTT: Okay. Thank you for your time, Ms.
12 Blake.

13 (Deposition concluded at 12:00 p.m.)
14
15
16
17
18
19
20
21
22
23
24
25

DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

[illegible]

DATE KATHY BLAKE

1 STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
2 COUNTY OF LEON)

3
4 I, LINDA BOLES, RPR, Official FPSC Commission Reporter, do
5 hereby certify that I was authorized to and did
6 stenographically report the foregoing deposition at the time
7 and place herein stated.

8 I FURTHER CERTIFY that this transcript, consisting of 49
9 pages, constitutes a true record of the testimony given by the
10 witness.

11 I FURTHER CERTIFY that I am not a relative, employee,
12 attorney or counsel of any of the parties, nor am I a relative
13 or employee of any of the parties' attorney or counsel
14 connected with the action, nor am I financially interested in
15 the action.

16 DATED THIS 7th DAY OF MARCH, 2005.

17 *Linda Boles*
18 _____
19 LINDA BOLES, RPR
20 Official FPSC Hearings Reporter
21 850/413-6734
22
23
24
25

AFFIDAVIT

By my signature below, I, Kathy K. Blake, attest to the accuracy of the information contained herein and the attached documents. I have reviewed the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

Kathy K. Blake
Print Name

DIRECTOR - REGULATORY POLICY
Title

(404) 330-0497
Telephone No.

BellSouth Telecommunications, Inc.
Utility

Address: 675 W Peachtree Street / Suite 36M66
Atlanta, GA 30375

Kathy K. Blake
Signature

2/25/05
Date

(404) 529-6587
Fax No.

STATE OF Georgia

COUNTY OF Fulton

Sworn to (or affirmed) and subscribed before me this 25th day of February, 2005, by Kathy K. Blake.

(NOTARY SEAL)

Brenda S. Slaughter
(Signature of Notary Public)

Brenda S. Slaughter
Notary Public, Rockdale County, Georgia
My Commission Expires July 29, 2006

(Name of Notary Typed, Printed, or Stamped)

Personally Known X OR Produced Identification _____ Type of Identification
Produced _____

000007

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 040130-TP
Late-Filed Deposition Exhibit of Kathy K. Blake
Exhibit No. 1
Page 1 of 1

REQUEST: On page 37, lines 1-4 of Witness Blake's rebuttal testimony, Ms. Blake states "Naturally, there is room for negotiation as to the specific start date and time, and BellSouth will certainly consider extenuating circumstances that may not permit a CLEC to be ready within 30 days." What language, if any, is BellSouth willing to consider addressing the flexibility regarding the start date of an EELs audit?

RESPONSE: There is no dispute between the Parties that the audit shall commence no sooner than 30 days after the Notice of Audit is sent to the CLEC. Specifically, the issue in dispute centers around what information and documentation should be included in the Notice of Audit, not the date upon which the audit will commence. Thus, specific contract language addressing a flexible audit start date is not necessary and may result in the improper expansion of the arbitration issue if it is included. Nevertheless, BellSouth stands by Ms. Blake's testimony in the situations described above.

PROVIDED BY: Kathy Blake

7/20/04

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 040130-TP
Late-Filed Deposition Exhibit of Kathy K. Blake
Exhibit No. 2
Page 1 of 1

REQUEST: Please provide a copy of the transcript from the Georgia PSC's Administrative Session regarding the Transit Traffic proceeding (Docket No. 16772-U) in which the GPSC decided that TELRIC is not the appropriate pricing methodology to be utilized in determining the rates for Transit Traffic.

RESPONSE: See Attached. Discussions regarding the Transit Traffic issue are contained on pages 2-9.

PROVIDED BY: Kathy Blake

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

ADMINISTRATIVE SESSION

Hearing Room 110
244 Washington Street
Atlanta, Georgia

Tuesday, February 1, 2005

The administrative session was called to order at
10:02 a.m., pursuant to Notice.

PRESENT WERE:

ANGELA E. SPEIR, Chairman
ROBERT B. BAKER, JR., Vice Chairman
STAN WISE, Commissioner
H. DOUG EVERETT, Vice Chairman
DAVID BURGESS, Commissioner

P R O C E E D I N G S

CHAIRMAN SPEIR: Ladies and gentlemen, we're going to go ahead and get started, in the absence of our court reporter. The session is being recorded, so I'm assured that our court reporter will be here expeditiously and that she or he will have no problem in transcribing everything from the recording, so we'll go ahead and get started.

This is the February 1, 2005 administrative session of the Public Service Commission and we will turn our attention first to the Utility consent agenda.

Would any Commissioner like any item held or moved to the regular agenda?

(No response.)

CHAIRMAN SPEIR: Hearing no such request, all in favor, say aye.

COMMISSIONER WISE: Aye.

COMMISSIONER EVERETT: Aye.

CHAIRMAN SPEIR: Aye.

VICE CHAIRMAN BAKER: Aye.

COMMISSIONER BURGESS: Aye.

CHAIRMAN SPEIR: The consent agenda is approved unanimously.

We will move on now to our regular agenda and take up item R-1.

MR. BOWLES: R-1 is 16772-U BellSouth

1 Telecommunications, Inc. petition for declaratory ruling
2 regarding transit traffic. This is consideration of staff's
3 recommendation.

4 Staff recommends approval of the recommendation
5 that was brought forth at Communications Committee.

6 CHAIRMAN SPEIR: All right, we've heard staff's
7 recommendation. Any Commissioner have any comments, any
8 questions?

9 COMMISSIONER WISE: Commissioners, I have an
10 amendment to staff's recommendation.

11 I'm going to move that the section of staff -- I
12 believe it's 6, Mr. Bowles, that addresses the point of
13 interconnection on the network, be modified to require that
14 the originating carrier be responsible for paying any
15 transit traffic fees and that BellSouth shall not bill
16 terminating carriers for such fees.

17 Certainly I realize that (inaudible) the Texcom
18 case and what the FCC may or may not do, but certainly it is
19 appropriate and one that's happened all over this country,
20 not that we're bound by what happens in 49 other states.
21 But it is appropriate, pending an FCC decision contrary to
22 this or being modified, that we can do so at that time.

23 CHAIRMAN SPEIR: All right, we've heard
24 Commissioner Wise's amendment, motion to amend staff's
25 recommendation.

1 All in favor, say aye.

2 COMMISSIONER WISE: Aye.

3 COMMISSIONER EVERETT: Aye.

4 VICE CHAIRMAN BAKER: Aye.

5 CHAIRMAN SPEIR: Voting in favor: Commissioners
6 Baker, Everett and Wise.

7 Any opposed?

8 COMMISSIONER BURGESS: No.

9 CHAIRMAN SPEIR: No.

10 Opposed: Commissioners Burgess and Speir.

11 COMMISSIONER BURGESS: If I could, I'd like to
12 make some comments on the motion that just passed.

13 First of all, let me say this, I think it's
14 important to realize that this Commission has probably been
15 one of the most pro-competitive commissions in the United
16 States in regards to settling issues between incumbent LECs
17 and competing LECs across the nation. And I think this
18 Commission, where it has had discretion from FCC orders or
19 the '96 Telecom Act, this Commission has erred on the side
20 of competition.

21 Clearly in this case, you know, while there is not
22 definitive word out of the FCC on this issue, there are two
23 guiding orders I believe that in my mind suggest to me the
24 direction that the FCC may ultimately go. And I don't know
25 the final answer.

1 But when I read the Texcom order, it's the closest
2 thing to what is out there now that resembles the situation
3 that is before us. That order -- in that order -- I think
4 we need to be plain here -- that was a request from Texcom,
5 who was a CMRS provider that was being charged by Verizon
6 for transit fees for calls transitioning their network, and
7 they filed a complaint with the FCC telling -- asking the
8 FCC to grant them relief and that they not have to pay those
9 transit fees.

10 You can read what you want to read in that Texcom
11 order, but the bottom line is the FCC denied Texcom's
12 petition. They did not grant the relief that Texcom asked
13 for. They found, clearly found, that Texcom was responsible
14 for paying those costs and added in the order on
15 reconsideration that if Texcom wanted to recoup those costs,
16 they do it through a traditional reciprocal compensation
17 agreement. That's plain as you can get. At the end of the
18 day, parties -- they pull excerpts out of that order that
19 are favorable to the position that was held by certain
20 parties, but at the end of the day, make no mistake about
21 it, the FCC did not grant the relief that Texcom asked for.

22 And they came back on reconsideration and
23 reiterated in their decision on reconsideration this covers
24 a situation where you've got three parties involved in the
25 transfer of traffic and specifically the same arguments that

1 Texcom raised in their initial petition, the FCC again
2 denied the relief that they sought, which was to find that
3 they should not be liable for paying those charges.

4 You know, we've got the right to do what we think
5 is right here, but clearly the way I read those orders and
6 the fact that the FCC did not grant the relief that was
7 asked by the complainant for a case that is the premier case
8 that lays out the situation that we ultimately will deal
9 with here at the Public Service Commission, it's hard for
10 me, Commissioner Wise, with all due respect, to support your
11 motion. With all deference, I'm not perfect, I don't know
12 it all, but I think that at the end of the day, it's going
13 to be hard for the FCC to come back with another position
14 when clearly they've got a case before them that they've
15 already decided and have considered for reconsideration and
16 denied the relief sought by the plaintiff.

17 COMMISSIONER WISE: Commissioners, we've taken
18 opportunity to disagree with our federal brethren on a
19 number of occasions and this is one that I would think that
20 we recognize the significance that Texcom is a messaging
21 company and not the bigger picture of what we're talking
22 about here. And I believe that ultimately, once the FCC
23 weighs the impact of the fact that it is a messaging company
24 and not the big picture, that this is an innocuous case,
25 then I think that we will see a more reasoned and cost-

1 causer principle applied to how costs are recovered from
2 those that cause them.

3 And if this Commission is wrong, then we
4 ultimately have an opportunity to correct that and not
5 change the trend that we have seen from this Commission in
6 4906.

7 COMMISSIONER BURGESS: Mr. Chairman, I do -- I
8 mean Madam Chair -- I have another motion to offer on this
9 docket dealing with the pricing issue.

10 I think clearly the Virginia arbitration decision
11 found, and subsequent decisions have been found by other
12 state commissions, that TELRIC is not the appropriate
13 pricing methodology to be utilized in determining what these
14 transit fees should be.

15 Contained in the memorandum of understanding is a
16 rate of 2.5 cents per minute, that is a market rate, quote-
17 unquote. My only problem with the rate is -- that's in the
18 MOU -- it's a rate that was proposed by two parties and
19 neither one of those parties at the end of the day have to
20 pay that rate.

21 So I think in a sense of fairness, I would ask
22 that this Commission make this rate subject to true-up and
23 an interim rate, and that this Commission will schedule a
24 proceeding to take in evidence and establish a rate that is
25 just and reasonable based on this Commission's standards and

1 not on a rate that two parties who don't have to pay the
2 rate have agreed to. I just think out of a sense of
3 fairness and completeness for this case, that that would be
4 the appropriate thing to do.

5 CHAIRMAN SPEIR: All right, so we've heard
6 Commissioner Burgess' motion in regard to having an
7 evidentiary proceeding to establish a just and reasonable
8 rate, for there to be a true-up and for this rate proposed
9 by staff or proposed by the parties -- pardon me -- proposed
10 by the parties in the memorandum of understanding, would be
11 an intermediate rate.

12 Are there any other comments or questions before
13 we take up Commissioner Burgess' motion?

14 (No response.)

15 CHAIRMAN SPEIR: Hearing no further questions, all
16 in favor of Commissioner Burgess' motion, say aye.

17 COMMISSIONER WISE: Aye.

18 COMMISSIONER EVERETT: Aye.

19 CHAIRMAN SPEIR: Aye.

20 VICE CHAIRMAN BAKER: Aye.

21 COMMISSIONER BURGESS: Aye.

22 CHAIRMAN SPEIR: I believe the vote was unanimous.

23 All right, thank you, Mr. Bowles.

24 VICE CHAIRMAN BAKER: Madam Chairman, since we
25 have approved these two amendments to staff's

1 recommendation, then --

2 CHAIRMAN SPEIR: Then we should vote on staff's
3 recommendation.

4 VICE CHAIRMAN BAKER: As amended.

5 CHAIRMAN SPEIR: Yes. Thank you, Commissioner
6 Baker.

7 Therefore, we would take up the vote on staff's
8 recommendation as amended by Commissioner Wise's motion and
9 Commissioner Burgess' motion.

10 All in favor, say aye.

11 COMMISSIONER WISE: Aye.

12 COMMISSIONER EVERETT: Aye.

13 CHAIRMAN SPEIR: Aye.

14 VICE CHAIRMAN BAKER: Aye.

15 COMMISSIONER BURGESS: Aye.

16 CHAIRMAN SPEIR: The vote is unanimous. Thank
17 you, Mr. Bowles.

18 Moving on to item R-2.

19 MS. MCGOUGHY: Item R-2 is Docket Number 9205-U
20 consideration of staff's request for approval to issue a
21 Notice of Proposed Rulemaking to Amend Disconnection Rule
22 515-3-3-.02(b) and 515-3-3-.07.

23 On December 21, 2004, the Commission voted to
24 approve the second issuance of a Notice of Proposed
25 Rulemaking to amend Commission Rule 515-3-3-.02(b) and 515-

1 3-3-.07. Georgia Natural Gas, ESPA, Southern Company Gas
2 and SCANA Energy filed comments that were due by January 20.

3 Staff is requesting that the Commission approve
4 reissuance of this Notice of Proposed Rulemaking to make a
5 minor modification to the version that was released
6 previously. Staff recommends that the Commission approve
7 the issuance of the NOPR with comments due by March 3, 2005.

8 CHAIRMAN SPEIR: Thank you, Ms. McGoughy.

9 We've heard staff's recommendation on item R-2.
10 Any Commissioner have any questions or motions at this time?

11 COMMISSIONER BURGESS: I've got just a comment.
12 While I'm going to support the staff's recommendation, I do
13 believe that Mr. Skipper, attorney for SCANA, raised a point
14 at the Energy Committee that I would be interested in
15 parties' responses to in responding to this NOPR regarding
16 the timing of the notice of payment arrangements to be
17 submitted.

18 I've had some further explanations from staff on
19 the issue, which I'm pleased to hear, but I think it would
20 be appropriate for parties to respond to the concern that
21 Mr. Skipper raised at the Energy Committee, because I think
22 it is a legitimate concern in making sure that our rule does
23 not go beyond the requirements of the law and does not
24 conflict with the law. But I'm going to support the
25 issuance of the NOPR.

1 COMMISSIONER EVERETT: I will support the NOPR
2 also, but I'm wondering myself -- this I believe hurts SCANA
3 more than anybody and I believe it's because of them being
4 the regulated provided for us.

5 I'm wondering if maybe a lot of this, what you're
6 trying to do -- and I don't like the term minor because to
7 me this is more than minor -- that this could be handled
8 through the RFP when the next regulated provider comes about
9 in August, and not change the rules for everybody.

10 As I said earlier, last Thursday, I would like to
11 see us stop regulating a deregulated industry. I believe
12 this can be handled other ways than what we're doing here.
13 I don't know how many people we're actually talking about on
14 this, but I'm going to go ahead and support the NOPR, but I
15 too was concerned about what Mr. Skipper stated, and I'm
16 also concerned about us continuing to change constantly
17 regulations on a deregulated industry.

18 But I'm going to listen to what y'all have to say.

19 CHAIRMAN SPEIR: If there are no further comments,
20 we'll vote on staff's recommendation on item R-2. All in
21 favor, say aye.

22 COMMISSIONER WISE: Aye.

23 COMMISSIONER EVERETT: Aye.

24 CHAIRMAN SPEIR: Aye.

25 VICE CHAIRMAN BAKER: Aye.

1 COMMISSIONER BURGESS: Aye.

2 CHAIRMAN SPEIR: It's approved unanimously.

3 Moving on to item R-3.

4 COMMISSIONER BURGESS: I would like to request
5 that this item be held. I mean I've seen four or five, six
6 different e-mails flash before my computer this morning up
7 to walking down here, and I'm just not ready to vote on the
8 item this morning. You're trying to listen to e-mails of
9 parties disputing issues and I'm just not comfortable with a
10 vote on the item this morning.

11 COMMISSIONER WISE: Let me suggest something,
12 Commissioner, because I'm probably responsible for one of
13 those e-mails late yesterday afternoon. I think it's more
14 than six, I think just yesterday's was probably closer to
15 ten.

16 I think that part of this could be resolved if the
17 company and staff and GasKey would meet, with a strong
18 urging from this Commission, that a payment schedule be
19 worked out for this season only, and that I would hope that
20 we would have a report in 48 hours, say by Thursday morning
21 at 10:00 a.m. with the intent that a special admin could be
22 declared for early next week, again with the intention of
23 approving this tariff with a strong agreement from either
24 staff or parties if they could reach this agreement, to a
25 payment schedule and how this process would work.

1 You know, you've asked this to be held,
2 Commissioner. I don't know if a motion to that effect is
3 appropriate, but I will move that, that parties and staff
4 give a report to this Commission in 48 hours on a payment
5 schedule.

6 CHAIRMAN SPEIR: Commissioner Burgess, I suppose
7 that since you asked that the item be held first, before we
8 take up Commissioner Wise's motion, are you agreeable with
9 proceeding in that fashion?

10 COMMISSIONER BURGESS: Well, I don't think we
11 need a motion. I think a directive to have the parties meet
12 and reply back to this Commission in 48 hours --

13 COMMISSIONER WISE: A ruling of the Chair, I have
14 no objection.

15 COMMISSIONER BURGESS: -- yeah, I think it's been
16 said.

17 CHAIRMAN SPEIR: Okay, well, Ms. Thebert, what we
18 will do is officially hold this item and proceed
19 accordingly, given the directive from Commissioner Wise and
20 agreed upon by the Commission. Thank you very much.

21 Moving on to item R-4.

22 MR. STAIR: Commissioners, good morning. Item R-4
23 is Docket Number 18638-U Atlanta Gas Light Company's 2004-
24 2005 rate case. Consideration of AGLC's petition for
25 rehearing, reconsideration and oral argument concerning the

1 Commission's January 18, 2005 order on SCANA Energy
2 Marketing's motion to compel.

3 At the most recent administrative session held on
4 January 18, the Commission issued an order granting in part
5 and denying in part a motion to compel by SCANA Energy
6 Marketing. You'll recall that SCANA filed 36 data requests
7 in November of 2004 and that AGLC objected to 24 of those 36
8 data requests in its December 27th response.

9 In your January 18 order, the Commission denied
10 SCANA's motion with respect to 19 of those disputed data
11 requests, but ordered AGLC to provide full and complete
12 responses to five data requests relating to the company's
13 asset management arrangement with Sequent Energy Management,
14 with those responses to be filed no later than January 21.

15 On January 25th, AGLC filed a petition for
16 rehearing, reconsideration and oral argument. In that
17 petition, the company raised three procedural objections as
18 well as a number of substantive objections to SCANA's data
19 request.

20 The advisory staff has provided you with its
21 recommendation in the form of a proposed order denying
22 AGLC's petition, and I'll be happy to provide as much detail
23 as you wish regarding that order, or answer any questions
24 you may have.

25 I think it's worth noting, however, briefly the

1 basis upon which advisory staff is recommending that the
2 Commission reject the substantive objections to SCANA's data
3 requests that AGLC raises in its petition. As I said, the
4 data requests were filed by SCANA in November of 2004 and
5 AGLC filed its responses and initial objection in a timely
6 manner on December 27th. Now in that December 27th
7 response, AGLC raised but one single objection to the data
8 requests, that those data requests were not reasonably
9 calculated to lead to discovery of admissible evidence.

10 The Commission considered that objection in its
11 January 18, 2005 order and found that five of SCANA's data
12 requests were in fact relevant and designed to lead to the
13 discovery of admissible evidence. Having reviewed the
14 Commission's order, AGLC filed its petition in which it
15 raised new objections to the data requests. For example, in
16 its petition, the company objects that the data requests at
17 issue are over-broad, unduly burdensome, vague and seek
18 confidential information. As the company chose not to raise
19 these objections in a timely manner when it filed its
20 responses in December, it has now waived the right to raise
21 those objections at this time.

22 Commissioners, having made that recommendation,
23 I'd like to note that the staff has had an opportunity to
24 meet with representatives of AGLC who have indicated a
25 willingness to meet with SCANA to try to resolve these

1 discovery disputes without the imposition of an order by the
2 Commission. As a result, staff would have no objection
3 should the Commission choose to hold the item for two weeks
4 to allow the parties an opportunity to try to resolve these
5 discovery disputes, since at the end of the day this is in
6 fact a dispute between two other parties.

7 I'll be happy to answer any questions that you
8 might have.

9 CHAIRMAN SPEIR: Thank you, Mr. Stair.

10 VICE CHAIRMAN BAKER: I guess a procedural
11 question, Mr. Stair, is that if the Commission rules today
12 either way, I mean then AGL, if it doesn't get what it
13 wants, it can always then go across the street to Fulton
14 Superior Court. We do have the pending rate case and these
15 discovery requests are made pursuant to that rate
16 proceeding. And I've got a feeling that unless the company
17 gets precisely what they want, they're going to appeal this
18 all the way to the Supreme Court. So it takes awhile to do
19 that.

20 I mean, could we make a decision today and the
21 parties can always continue to negotiate a settlement.

22 MR. STAIR: Yes, certainly. Should the Commission
23 decide to issue an order today, whether accepting or
24 rejecting the advisory staff's recommendation, the parties
25 could still meet to negotiate. Obviously, as you said,

1 Commissioner Baker, there has been an indication that the
2 company may well appeal if the decision is not favorable to
3 them and obviously, you know, a decision adverse to them
4 would probably make it less -- perhaps make it less likely
5 that the parties would want to negotiate.

6 But again, you know, as I said, I've had an
7 opportunity to speak with the company and they've indicated
8 their willingness, and certainly would leave that to the
9 Commission as to whether they wanted to issue the order
10 today or hold the item to allow them to negotiate.

11 COMMISSIONER EVERETT: When you said party, I did
12 not hear "s", are you talking that both parties have agreed
13 or just AGL?

14 MR. STAIR: Commissioner, I've not had an
15 opportunity to speak with SCANA. You know, this item was
16 added at the last minute. I met with -- the representatives
17 of the company came by this morning and I've just not had an
18 opportunity to speak with SCANA to ask if they would be
19 willing to negotiate.

20 COMMISSIONER BURGESS: I don't know, just from my
21 perspective, from my understanding, AGL has responded to the
22 request. It might not be the answers that SCANA wants but
23 they've complied with the order of the Commission. And my
24 question is, is the motion for reconsideration procedurally
25 kind of ahead of the game. I mean they did respond.

1 MR. STAIR: They did respond, that's correct.

2 COMMISSIONER BURGESS: So isn't the impetus on
3 SCANA or somebody to come forward and say well, these
4 responses are inadequate or we didn't get answers we wanted?

5 I mean, it would have been different if they filed a motion
6 for reconsideration and did not comply with the Commission
7 and send any responses, wouldn't it?

8 MR. STAIR: Well, in your order of the 18th of
9 January, you ordered the company to file complete responses
10 to five data requests. The company has responded to one of
11 those, so there are four left at issue. The company has not
12 completely responded. In other words, they've not said all
13 right, fine, you asked for this data, here it is. With
14 respect to two of the requests, what the company has said is
15 we are willing to provide you that information if SCANA
16 signs the confidentiality agreement; and as you heard, I
17 believe Thursday at Energy Committee and then as SCANA also
18 pointed out in their response, they have some issues with
19 respect to the terms of that confidentiality agreement.

20 With respect to the remaining two, the company has
21 said we don't think we need to respond to that because we
22 don't believe it leads to -- it's not relevant to this case,
23 notwithstanding the fact they've filed affidavits of
24 officers of the company that they believe would show that
25 the issues are not relevant and also, as I said, have

1 offered to provide an officer of the company to meet with
2 SCANA to try to convince SCANA of the fact that you don't
3 need the information because it's not relevant. So I guess
4 it's not completely accurate to say that the company has
5 fully complied. They have made an effort to comply, there's
6 no question about that. But the reason why they're -- what
7 they're asking in their motion for reconsideration -- a
8 couple of things -- one, to say these issues -- the data
9 requests are not designed to lead to discoverable evidence
10 or in the alternative to say what AGL has done is acceptable
11 and has in fact complied with your order.

12 CHAIRMAN SPEIR: Any further comment before we
13 take up staff's recommendation?

14 (No response.)

15 CHAIRMAN SPEIR: All right.

16 VICE CHAIRMAN BAKER: And precisely what is your
17 recommendation again, to hold it or --

18 MR. STAIR: No, the recommendation remains as set
19 forth in --

20 VICE CHAIRMAN BAKER: Deny the motion for
21 reconsideration.

22 MR. STAIR: Correct. And simply left to the
23 Commission the alternative -- staff would not have any
24 objection obviously if the Commission would decide you
25 wanted to give another couple of week, put this on the

1 agenda for the next time and see if the parties could
2 resolve it. We have no objection to that and staff would be
3 happy to work with the companies to try to facilitate that
4 if that's your desire.

5 CHAIRMAN SPEIR: After all this discussion, I feel
6 like we've already held it.

7 VICE CHAIRMAN BAKER: I'll call the question.

8 Staff has made a recommendation to deny the motion
9 for reconsideration. I call the question.

10 CHAIRMAN SPEIR: So all in favor of staff's
11 recommendation to deny reconsideration -- Commissioner
12 Baker?

13 VICE CHAIRMAN BAKER: Yes.

14 CHAIRMAN SPEIR: Okay, just to be clear.

15 All right, all in favor of approving staff's
16 recommendation to deny reconsideration, say aye.

17 COMMISSIONER EVERETT: Aye.

18 CHAIRMAN SPEIR: Aye.

19 VICE CHAIRMAN BAKER: Aye.

20 COMMISSIONER BURGESS: Aye.

21 CHAIRMAN SPEIR: Any opposed?

22 COMMISSIONER WISE: Aye.

23 CHAIRMAN SPEIR: All right. Voting in favor, we
24 have Commissioners Burgess, Baker, Speir and Everett.
25 Opposed: Commissioner Wise.

1 Moving on to item R-5.

2 MS. PERRY: Item R-5 is Docket Number 20139-U,
3 it's consideration of BellSouth Telecommunications' request
4 for waiver of North American Numbering Plan's denial of its
5 application for numbering resources in the Atlanta northeast
6 678 rate center.

7 The need for this matter to be considered today
8 arose because approximately 50 BellSouth customers are
9 experiencing problems with telephone numbers assigned to
10 them in the Atlanta northeast rate center. Although the
11 BellSouth Telecorder number assignment system shows this
12 block as belonging to BellSouth, NeuStar's system shows the
13 block as unassigned; and therefore, they are requiring
14 BellSouth to apply to this Commission for a waiver before
15 changing their system to release this block to BellSouth.

16 Via telephone with NeuStar, they did verify that
17 in their database, it shows that this block belongs to
18 BellSouth. Therefore the staff is recommending that this
19 Commission direct the North American Numbering Plan
20 Administration to release the 678-245-8 code to BellSouth.

21 CHAIRMAN SPEIR: All right, we've heard staff's
22 recommendation. Does any Commissioner have any questions,
23 comments, motions to be made?

24 COMMISSIONER BURGESS: I just want to say that
25 this is service affecting to some subscribers right now and

1 would urge the Commission to approve the request.

2 CHAIRMAN SPEIR: Yes. All in favor of approving
3 staff's recommendation, say aye.

4 COMMISSIONER WISE: Aye.

5 COMMISSIONER EVERETT: Aye.

6 CHAIRMAN SPEIR: Aye.

7 VICE CHAIRMAN BAKER: Aye.

8 COMMISSIONER BURGESS: Aye.

9 CHAIRMAN SPEIR: The vote is unanimous.

10 MS. PERRY: Thank you.

11 CHAIRMAN SPEIR: Does any Commissioner have any
12 other items to be taken up today on the Utility agenda?

13 (No response.)

14 CHAIRMAN SPEIR: If not, we will move along to
15 Administrative Affairs. Good morning, Ms. Flannagan.

16 MS. FLANNAGAN: Good morning. Staff has a consent
17 agenda for approval.

18 CHAIRMAN SPEIR: We'll first take up the consent
19 agenda. All in favor, say aye.

20 COMMISSIONER WISE: Aye.

21 COMMISSIONER EVERETT: Aye.

22 CHAIRMAN SPEIR: Aye.

23 VICE CHAIRMAN BAKER: Aye.

24 COMMISSIONER BURGESS: Aye.

25 CHAIRMAN SPEIR: The consent agenda is approved

1 unanimously.

2 And we have one item on our regular agenda?

3 MS. FLANNAGAN: Yes. Staff would like to request
4 approval to send two of our electric engineers for a trip to
5 Southern Company in Birmingham. And this is relating to the
6 independent evaluator and the RFP process. They would like
7 to travel next week and so rather than delaying it, I wanted
8 to request approval today.

9 CHAIRMAN SPEIR: Any questions or comments from
10 Commissioners regarding this item?

11 (No response.)

12 CHAIRMAN SPEIR: All in favor of approving item
13 1.A. on the Administrative Affairs agenda, say aye.

14 COMMISSIONER WISE: Aye.

15 COMMISSIONER EVERETT: Aye.

16 CHAIRMAN SPEIR: Aye.

17 VICE CHAIRMAN BAKER: Aye.

18 COMMISSIONER BURGESS: Aye.

19 CHAIRMAN SPEIR: It's approved unanimously.

20 MS. FLANNAGAN: Thank you.

21 CHAIRMAN SPEIR: Thank you, Ms. Flannagan.

22 If there are no other matters to be taken up this
23 morning --

24 COMMISSIONER BURGESS: Madam Chair, there's one
25 thing I did want to say. I would just ask -- this

1 Commission family has experienced a tremendous loss; Bill
2 Edge, our public information officer's 17 year old daughter
3 passed yesterday, and I would just ask all of you for
4 prayers for his family that they might be comforted during
5 this very devastating time in their lives. I would just ask
6 that those who have a connection with the Master, that you
7 would ask for comfort for the family. Thank you.

8 CHAIRMAN SPEIR: Thank you, Commissioner Burgess.
9 And we certainly all echo that plea, we're all heartbroken.

10 With that, ladies and gentlemen, thank you very
11 much for your time and we will begin the hearing in the DSL
12 matter at 11:00 a.m.

13 We're adjourned.

14 (Whereupon, the administrative session was
15 concluded at 10:00 a.m.)

16
17
18
19
20
21
22
23
24

C E R T I F I C A T E

I, Peggy J. Warren, Certified Court Reporter, do hereby certify that the foregoing transcript is an accurate record of the proceedings, to the best of my ability, prepared from a recording of the proceedings provided to me by the Georgia Public Service Commission.

Peggy J. Warren, CVR-CM, CCR A-171

The minutes of the Administrative Session were approved this _____ day of _____, 2005.

Angela E. Speir, Chairman

Reece McAlister,
Executive Secretary



STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) CERTIFICATE OF SERVICE

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth's letter dated July 27, 2006, filing a paper copy of the transcript of the deposition of BellSouth Witness Kathy Blake and the late-filed exhibits associated with that deposition in Docket No. 2005-57-C to be served upon the following this July 27, 2006:

Florence P. Belser, Esquire
General Counsel
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211
(U. S. Mail and Electronic Mail)

Nanette S. Edwards, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211
(U. S. Mail and Electronic Mail)

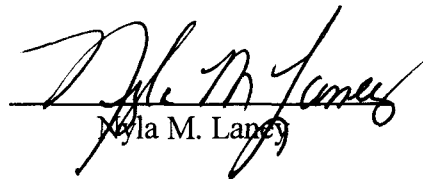
F. David Butler, Esquire
Senior Counsel
S. C. Public Service Commission
Post Office Box 11649
Columbia, South Carolina 29211
(PSC Staff)
(U. S. Mail and Electronic Mail)

Jocelyn G. Boyd, Esquire
Staff Attorney
S. C. Public Service Commission
Post Office Box 11649
Columbia, South Carolina 29211
(PSC Staff)
(U. S. Mail and Electronic Mail)

Joseph Melchers
Chief Counsel
S.C. Public Service Commission
Post Office Box 11649
Columbia, South Carolina 29211
(PSC Staff)
(U.S. Mail and Electronic Mail)

John J. Pringle, Esquire
Ellis Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202
(NewSouth, NuVox, KMC, Xspedius)
(U. S. Mail and Electronic Mail)

John J. Heitmann
Stephanie Joyce
Garrett R. Hargrave
KELLEY DRYE & WARREN LLP
1200 Nineteenth Street, N.W., Suite 500
Washington, D.C. 20036
(U. S. Mail and Electronic Mail)



Myla M. Laney

PC Docs # 643158